



COUNTY OF LOS ANGELES

CHIEF INFORMATION OFFICE

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

February 09, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

9 FEBRUARY 9, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

Amendment Number One to County Master Services Agreement Number 76043 With Oracle USA, Inc.

SUBJECT

Request approval to amend Master Services Agreement Number 76043 with Oracle USA, Inc. to exercise the first option to extend the term for two years through February 20, 2012.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair of the Board to sign the attached proposed Amendment Number One (Amendment) to the Master Services Agreement (MSA) No. 76043 with Oracle, USA, Inc. (Oracle) extending the term of the Agreement from February 20, 2010 to February 20, 2012.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve the attached Amendment to the Oracle MSA which will extend the term for two years through February 20, 2012. This action will provide County departments with continued streamlined access to Oracle professional and consulting services under the Oracle MSA.

On February 20, 2007, the Board approved the Oracle MSA with an initial three-year term and two (2) two-year extensions upon mutual agreement of the parties. The total annual amount authorized for expenditure under the Oracle MSA is not to exceed \$3,000,000. The Oracle MSA provides a structure that streamlines the acquisition process for highly-skilled Oracle technical services. These technical resources assist with the planning and implementation of Oracle technologies, enable

timely problem resolution, and ensure that Oracle product capabilities are maximized.

Particular County department engagements under the Oracle MSA are executed through a Work Order (WO) process. Since February 20, 2007, fifteen (15) WOs were issued under the Oracle MSA with a total value of \$3,691,241. Of these, your Board approved three (3) WOs totaling \$1,754,663.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal Number 1: Organizational Effectiveness. The Oracle MSA offers the flexibility necessary to meet varied departmental needs while providing a structure for acquiring desired services through a streamlined acquisition process that is standard across the entire County.

FISCAL IMPACT/FINANCING

By approving the proposed Amendment, County departments will continue to have the ability to acquire Oracle technical services under WOs, which are governed by the terms and conditions set forth in the Oracle MSA. Funding for individual WOs will continue to be obtained from departmental budgets. The administrative provisions of the Oracle MSA require confirmation that department funding is available before each individual WO is executed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed Amendment incorporates the following minor changes to the terms and conditions of the Oracle MSA:

1. Updated identity and location information for County and Contractor contacts;
2. New language acknowledging segmentation of Oracle services from any Oracle program licenses; and
3. New Exhibit A-1 Information Technology Services and Charges, which updates the Oracle's consulting rates for Time and Materials WOs.

These changes do not reflect any substantive departure from the Oracle MSA's terms and conditions, including information technology provisions that will continue to apply following execution of the proposed Amendment. All changes have been reviewed and approved by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this Amendment will provide County departments with continued access to Oracle professional and technical resources. There will be no impact upon, or interruption of, the current services being provided to County departments by Oracle.

CONCLUSION

Upon approval by your Board, it is requested that the Executive Officer-Clerk of the Board return one (1) adopted stamped copy of the Board letter and three (3) executed copies of the Amendment to the Chief Information Office, for further processing.

Respectfully submitted,

A handwritten signature in black ink that reads "Richard Sanchez". The signature is written in a cursive, flowing style with a long horizontal line extending from the end of the name.

RICHARD SANCHEZ
Chief Information Officer

RS:GM:GF:pa

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
IT Board Deputies

AMENDMENT NUMBER ONE

TO

MASTER SERVICES AGREEMENT

BY AND BETWEEN

THE COUNTY OF LOS ANGELES

AND

ORACLE USA, INC.

FOR

INFORMATION TECHNOLOGY SERVICES

76043 Supplement 1

AMENDMENT NUMBER ONE TO
MASTER SERVICES AGREEMENT BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND
ORACLE USA, INC. FOR
INFORMATION TECHNOLOGY SERVICES

This Amendment Number One to Master Services Agreement (“Amendment No. 1”) is entered into as of January 15, 2010 by and between the County of Los Angeles, a political subdivision of the State of California (“County”) and Oracle USA, Inc., a Colorado corporation (“Contractor”), with reference to the following facts.

Recitals

A. County and Contractor entered into that certain Master Services Agreement for Information Technology Services (the "Agreement") which was approved by County's Board of Supervisors on February 20, 2007.

B. The parties now wish to amend the Agreement in order to provide for an extension of the term of the Agreement.

NOW, THEREFORE, pursuant to Paragraph 10 (Change Notices and Amendments) of the Agreement, County and Contractor hereby agree to amend the Agreement as follows:

1. County and Contractor hereby mutually agree to extend the Initial Term of the Agreement by the exercise of the first two-year Extended Term as provided under Paragraph 11.1 of the Agreement.
2. Subparagraph 4.2.1 of Paragraph 4 (Administration of Agreement – County) of the Agreement shall be revised to change the identity and location of County’s Project Manager to Gene Franklin, Sr., County of Los Angeles, Chief Information Office, 350 S. Figueroa Street, Suite 188, Los Angeles, CA 90071.
3. Subparagraph 5.1.1 of Paragraph 5 (Administration of Agreement – Contractor) of the Agreement shall be revised to change the identity and location of the Contractor’s Project Director from Steve Simonetto to Greg Farrar, Oracle USA, Inc., 611 Anton Blvd., Costa Mesa, CA. 92626.
4. Paragraph 51 (Licenses, Permits, Registrations, Accreditations and Certificates) of the Agreement shall be revised to change the identity of location of County’s contact information to Rich Sanchez, 350 S. Figueroa Street, Suite 188, Los Angeles, CA 90071.

5. Paragraph 61 (Notices) of the Agreement shall be revised to (i) change the identity and location of County's contact information to Rich Sanchez, 350 S. Figueroa Street, Suite 188, Los Angeles, CA 90071, and (ii) change the identity and location of Contractor's contact from Steve Simonetto to Greg Farrar, Oracle USA, Inc., 611 Anton Blvd., Costa Mesa, CA. 92626.

6. A new Paragraph Number 76 (Segmentation) shall be inserted into the Agreement immediately following Paragraph 75 (No Payment for Services Provided Following Expiration/Termination of Agreement) to read as follows:

"76. Segmentation: The County of Los Angeles acknowledges that the services were bid by Oracle separately from any Oracle program licenses. The County of Los Angeles understands that it has the right to acquire services without acquiring any Oracle program licenses, and that it has the right to acquire the services and any Oracle program licenses separately."

7. Exhibit A (Information Technology Services Charges) of the Agreement is hereby deleted in its entirety and shall be replaced with a new Exhibit A (Information Technology Services Charges), a true and correct copy which is attached to this Amendment No. 1 and incorporated herein by this reference.

8. In all other respects, the Agreement, as amended under this Amendment No. 1, shall remain in full force and effect.

SIGNATURES ON FOLLOWING PAGE

**AMENDMENT NUMBER ONE TO
MASTER SERVICES AGREEMENT FOR
INFORMATION TECHNOLOGY SERVICES**

IN WITNESS WHEREOF, the Los Angeles County Board of Supervisors has caused this Amendment Number One to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive Officer-Clerk thereof, and Contractor has caused this Amendment Number One to be subscribed in its behalf by its authorized officer, effective as of the date approved by such Board.

COUNTY OF LOS ANGELES

By *Gloria Molina*
GLORIA MOLINA
Chair, Board of Supervisors

ATTEST:
SACHI HAMAI
Executive Officer-Clerk
Los Angeles County
Board of Supervisors



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors.

By *Donna Espinoza*
Deputy

By *Donna Espinoza*
Deputy

ORACLE USA, INC.
Contractor

Signed: *RCB*
Printed: ROBERT C BAGNULO
Title: SR. CONTRACTS MANAGER

APPROVED AS TO FORM:
ROBERT E. KALUNIAN
Acting County Counsel

By *[Signature]*
José Silva
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#9 FEB 09 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76043 SUPPLEMENT 1

EXHIBIT A

INFORMATION TECHNOLOGY SERVICES AND CHARGES

Services

Consulting Services (Services) performed under the Agreement are to serve the sole purpose of assisting the County with projects that will include the application and/or implementation of Oracle software products as determined by the County's Project Manager.

These services may include but are not limited to:

- Enterprise Architecture – Services assisting the County with creating and maintaining an IT infrastructure to support its lines of business, including performance architecture and database design, administration, and tuning.
- Data Security / Protected Enterprise – Services assisting the County with efforts to share information confidently, while protecting the integrity of the data, and meeting regulatory compliance requirements.
- Middleware Architecture – Services assisting the County with Oracle's software for the mid-tier—Oracle Fusion Middleware/Oracle Application Server (including the various components and options).
- Business Integration – Services assisting the County with efforts to build its mid-tier on a Service-Oriented Architecture (SOA).
- Software Engineering – Services assisting the County to create and deploy software solutions.
- Data Warehousing - Services assisting the County with efforts to turn enterprise data into quality information with Oracle data warehouse products.

Pricing

This Agreement contemplates both Fixed Price Deliverables-based (FP) work orders and Time and Materials (T&M) work orders.

Fixed Price Deliverables-based engagements will be priced based on the estimated cost of producing the deliverables and the relative risk associated with the individual work order. As such, no rates or discount level is provided for FP projects in the Agreement.

Services acquired on a Time and Materials (T&M) Work Order will be provided to the County at the GSA consulting rates current as of the effective date for the Work Order for aggregate labor costs equal to or less than \$600,000. Oracle's GSA consulting rates can be found at http://www.oracle.com/corporate/pricing/GSA_pricelist.pdf.

Services acquired on a Time and Materials (T&M) Work Order for aggregate labor costs exceeding \$600,000 will be provided to the County at a 44% discount to our then current US Commercial consulting rates. The option to extend the contract a second time contained in paragraph 11.1 notwithstanding, the above discount shall expire at the end of the initial two (2) year extension term. Contractor and County shall negotiate in good faith the labor rates for any extension of the Agreement beyond the initial two (2) year extension term.

Travel and living expenses of Oracle consultants for services provided under this Agreement shall be deemed Out-of-Pocket Expenses and shall be invoiced separately, in addition to labor costs.

Oracle Consulting Labor Category Descriptions

Senior Practice Director

Qualifications:

- Balance of advanced technical skills, functional knowledge, client consultative skills and operational management experience.
- Typically has 4+ years of consulting services senior management experience with P & L responsibility and at least 10-15 years consulting or industry experience.

Special Skills:

- Experienced in all aspects of running a profitable Consulting practice
- Relationship builder at senior Executive Level
- Broad base of Consulting and industry experience and expertise
- Leader and Communicator

Education: Minimum of a university degree or college diploma in Computer Sciences or Business, or equivalent

Practice Director

Qualifications:

- Balance of advanced technical skills, functional knowledge, client consultative skills and operational management experience.
- Typically has 5-8 years of experience in senior consulting/engagement lead assignments.

Special Skills:

- Can engage, mobilize and motivate multiple teams to accomplish goals
- Effectively utilizes, trains, develops available internal/external skill sets
- Relationship builder at Executive Level
- Leader and Communicator

Education: University Degree or College Diploma in Computer Sciences or Business, or equivalent

Practice Manager

Qualifications:

- Balance of advanced technical skills, functional knowledge, client consultative skills and operational management experience.
- Typically has 2+ years of experience as lead/senior consulting engagement assignments.
- Also 6+ years in delivery of consulting services in either a technical or functional capacity.

Special Skills:

- Can lead, engage, mobilize and motivate multiple teams to accomplish goals
- Effectively utilizes, trains, develops available resources
- Relationship builder/communicator
- Work with Oracle Tools/Methodologies

Education: University Degree or College Diploma in Computer Sciences or Business, or equivalent

Technical Manager

Qualifications:

- Generally a minimum of 8 years overall experience in functional or technical role in applicable areas of experience
- Assignments are progressively more responsible
- In functional roles, typically may have completed course work towards functional certifications
- In technical roles, may have completed technical certifications relevant to specialty
- Publications, presentations, white papers, a plus
- Typically has at least three years experience in multi-dimensional issue resolution in complex environments

Special Skills:

- Database, core applications and web technology knowledge
- Specific experience in implementing Oracle solutions and required 3rd party technology
- Has been involved in system integrations
- Serve in a project leader or subject/team leader capacity for significant portions of multiple projects

Education: A BS or BA in related fields. Masters degree preferred in technical area or equivalent experience

Managing Principal

Qualifications:

- Ensures that operational policies are followed
- Leads a specialized area which may have diverse functional elements
- Responsible for business results, costs, and people management

Special Skills:

- Manages tasks and projects, as defined by senior management, to meet business targets
- Manages subordinates to meet business targets and best practice solutions as set by higher management
- Responsible for the delivery of a service to agreed standards or service levels

Education: A BS or BA in related fields. Masters degree preferred in technical area or equivalent experience

Senior Principal

Qualifications:

- Generally a minimum of 5 years overall experience in functional or technical role in applicable areas of experience
- Assignments are progressively more responsible
- In functional roles, typically may have completed course work towards functional certifications
- In technical roles, may have completed technical certifications relevant to specialty
- Publications, presentations, white papers, a plus
- Typically has at least two years experience in multi-dimensional issue resolution in complex environments

Special Skills:

- Database, core applications and web technology knowledge
- Specific experience in implementing Oracle solutions and required 3rd party technology
- Has been involved in system integrations
- Serve in a project leader or subject/team leader capacity for significant portions of multiple projects

Education: A BS or BA in related fields. Masters degree preferred in technical area or equivalent experience

Principal Consultant

Qualifications:

- Generally 5-7 years overall experience in functional or technical role in applicable areas of experience
- Assignments are progressively more responsible
- In functional roles, typically may have completed course work towards functional certifications
- In technical roles, may have completed technical certifications relevant to specialty
- Publications, presentations, white papers, a plus
- Typically has at least two years experience in multi-dimensional issue resolution

Special Skills:

- Database, core applications and web technology knowledge
- Specific experience in implementing Oracle solutions and required 3rd party technology
- Has been involved in system integrations
- Serve in a project leader or subject/team leader capacity for significant portions of multiple projects

Education: A BS or BA in related fields. Masters degree preferred in technical area or equivalent experience

Senior Consultant

Qualifications:

- Generally 3-6 years overall experience in functional or technical role in applicable areas of experience
- Assignments are progressively more responsible

- In functional roles, typically may have completed course work towards functional certifications
- In technical roles, may have completed technical certifications relevant to specialty
- Typically has at least one year experience in multi-dimensional issue resolution

Special Skills:

Note: this area is dependent upon type of role, i.e. technical or functional

- Specific experience in implementing Oracle technology and solutions

Education: A BS or BA in related fields. Masters degree preferred in technical area or equivalent experience

Staff Consultant

Qualifications:

- Generally 2-4 years overall experience in functional or technical roles in applicable areas of experience
- Assignments are progressively more responsible
- Typically has at least one year experience in one-dimensional issue resolution

Special Skills:

Note: this area is dependent upon type of role, i.e. technical or functional

- Some involvement in implementing industry or IT technology and solutions, preferably Oracle

Education: A BS or BA in information sciences, engineering or related fields or equivalent experience